Philip Morris USA

Summary

WEEKLY UPDATE
SUMMARY
September 9, 1994

- PM-USA and Marlboro performances are consistent across Shipment, Nielsen and Consumer Tracking and remain near or at record levels.
  - $ pack price benchmark remains unfavorable.
  - Basic soc below retail benchmarks, but improving

Shipments

- PM-USA shipments are 4.0 billion units above QTD forecast.
  - Third Qtr. volume estimated at + 4.0 billion units above 2RF budget.
  - Projected third quarter share is 44.9 - 45.1%
- Competitive shipments are near expected. RJR Discount ~~increases are beginning to reflect expanded buydown activity.~~ correspond with retail promotions

Retail Trends

- Marlboro weekly share ~~reached a new record~~ level at
- PM share ~~four~~ returned to growth.
- ~~Winston Select's promotional effectiveness appears to be decreasing, as B3G3F expands, but share is declining.~~ Four week
- RJR may be expanding promotional spending to other Discount brands.
  - Monarch share and money-off promotional incidence is increasing.
  - ~~Doral's lowest discount pricing actions slowed for the second consecutive week, while~~ Share remains near YTD high. Recent expansion of wholesale buydowns on Doral Lower incidence up at lower 99¢ and lowest price points.
- Price gaps at YTD highs.
  - ~~Carton gaps (over $5.00, 44%), driven by Lowest Discount price reductions, primarily RJR's.~~
  - Pack gaps (61¢, 46%), driven by Doral and GPC buydowns expanded incidence
- ~~Stronger promotional spending behind major Branded Discounts has not expanded the Discount category.~~

- Slowing of RJR Discount decline ~~extracts risk~~
- Slower Private Label growth
- Stabilizing Branded Discount trend, ~~with~~ weekly volatility coinciding with promotional cycles.

2045879146

Source: https://www.industrydocuments.ucsf.edu/docs/slvk0004